

Message Text

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ACTION STR-08

INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 FEA-02 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10

INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-02 SS-20 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

OMB-01 SWF-02 DRC-01 /205 W
----- 039915

R 081212Z JUL 74

FM AMEMBASSY BONN
TO SECSTATE WASHDC 3659
INFO AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY LONDON
AMEMBASSY STOCKHOLM
AMEMBASSY BERN
AMEMBASSY TOKYO
AMEMBASSY OTTAWA
AMCONSUL FRANKFURT
USMISSION EC BRUSSELS
USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: MTN: PREPARATION OF PROTOTYPE SECTOR STUDY
- ELECTRICAL POWER GENERATING MACHINERY

REF: A. STATE 131800; B. FRANKFURT A-564 OF JUNE 28,
1974; C. BONN A-53 OF JANUARY 28, 1974

1. FOLLOWING INFORMATION, DEVELOPED PRIMARILY BY
THE AMERICAN CONSULATE GENERAL IN FRANKFURT, IS SUPPLIED
IN ACCORDANCE WITH REQUEST TRANSMITTED BY REFTEL A.
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(ANSWERS KEYED TO QUESTIONS IN PARA 4 OF REFTEL A).

A. STRUCTURE OF INDUSTRY

1. NUMBER OF FIRMS: 1,115 IS BEST ESTIMATE OF FIRMS MANUFACTURING PRODUCTS COVERED IN BTN 85.01 AND 85.19

2. SIZE BY TURNOVER: MANY FIRMS ALSO MANUFACTURE PRODUCTS NOT COVERED HERE. LARGEST FIRMS PRIMARILY IN THIS AREA (ANNUAL SALES IN MILLION DM) INCLUDE: BROWN, BOVER AND CIE. GERMANY OPERATIONS ONLY (3,357); FELTEN AND GUILLEAUME (1,022); MOTOREN AND TURBINEN-UNION, MUNCHEN (350). EXCLUSIVELY IN THIS AREA: KRAFTWERK UNION (705); TRANSFORMATOREN UNION (420). HOWEVER, THE MOST SIGNIFICANT FIRMS (ANNUAL SALES ON WORLDWIDE BASIS) ARE: SIEMENS (15147); AEG-TELEFUNKEN (10,048); BOSCH (5,765).

3. EMPLOYMENT (BY INDUSTRIAL GROUPINGS): MOTORS AND GENERATORS (72,300); TRANSFORMERS (22,890); SWITCHGEAR, HIGH VOLTAGE (17,210), SWITCHGEAR, LOW VOLTAGE (59,010); CONVERTERS (14,000).

4. LABOR FORCE COMPOSITION (BY SKILL GROUPING): NOT AVAILABLE.

5. AVERAGE ANNUAL WAGES: MONTHLY GROSS SALARIES IN DM:

	MALE	FEMALE	AVERAGE
ADMIN SECTOR	2,097	1,437	1,718
ENGINEERING	2,257	1,515	2,197
ALL CATEGORIES	2,211	1,449	1,973

AVERAGE HOURLY WAGES IN DM:

	MALE	FEMALE	AVERAGE
	8.45	6.29	7.52

6. PRODUCTIVITY EXPRESSED AS VALUE-ADDED PER MANHOUR: NOT AVAILABLE.

7. TOTAL PRODUCTION (1973; MILLIONS DM):

MOTORS AND GENERATORS: 6,648

TRANSFORMERS: 1,301

CONVERTERS: 692

SWITCHGEAR OVER 1,000 VOLTS: 824

SWITCHGEAR BELOW 1,000 VOLTS: 2,717

INSTALLATION EQUIP., SPARE PARTS, ACCESSORIES: 1,560

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8. DOMESTIC CONSUMPTION AS A PERCENTAGE OF PRODUCTION: CALCULATE USING 7 ABOVE AND EXPORT (X) AND IMPORT (M) FIGURES (1973, MILLION DM)
 MOTORS AND GENERATORS: 1,220 (X); 412 (M)
 TRANSFORMERS: 322 (X); 131 (M)
 CONVERTERS: 322 (X); 143 (M)
 SWITCHGEAR OVER 1,000 VOLT: 261 (X); 55 (M)
 OTHER SWITCHGEAR: 890 (X); 234 (M)

INSTALLATION EQUIP. ETC.: 428 (X); 131 (M)

9. PRICING POLICIES: UNKNOWN. TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO EXPORT SUBSIDIES FOR ANY OF THE PRODUCTS.

10. PRODUCTION CAPACITY OF SECTOR: EXACT FIGURES NOT AVAILABLE, BUT CURRENT PRODUCTION CONSIDERED CLOSE TO CAPACITY.

11. NEW CAPITAL EXPENDITURES AND PLANNED INCREASES IN PRODUCTION CAPACITY: SEE FRANKFURT'S CERP 0564, JUNE 28, 1974 (REF B).

12. STATE OF RESEARCH AND DEVELOPMENT: FRG RANKS AMONG THE WORLD LEADERS IN R&D FOR THESE PRODUCTS.

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 3660

INFO AMEMBASSY PARIS

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B. ROLE OF GOVERNMENT (THE FOLLOWING INFORMATION WAS PROVIDED BY AN FRG ECONOMICS MINISTRY OFFICIAL)

1. THE GOVERNMENT CAN BE CONSIDERED AS HAVING ONLY AN INDIRECT CONTROL OF INDUSTRY ORGANIZATION AS EXERCISED BY THE FEDERAL ANTI-CARTEL OFFICE AND THROUGH VARIOUS TAX LAWS.
2. THERE IS NO OFFICIAL GOVERNMENT INVOLVEMENT IN PRODUCTION DECISIONS.

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3. THE GOVERNMENT HAS NO OFFICIAL "BUY-GERMAN" PURCHASING LAW.
4. THE FEDERAL GOVERNMENT MAINTAINS AN EXPORT INSURANCE PROGRAM CALLED THE "HERMES" PROGRAM. UNLIKE THE US EXIM BANK, HOWEVER, THE HERMES PROGRAM CONTAINS AT PRESENT NO EXPORT FINANCING PROVISIONS, ONLY CERTAIN EXPORT GUARANTEES COVERING NON-PAYMENT ETC. WE ARE UNAWARE OF ANY SPECIAL PROGRAMS OF LDC ASSISTANCE IN THIS SECTOR.

C. MAJOR DOMESTIC PURCHASERS: FRG HAS ABOUT 1,000 SMALL TO MEDIUM-SIZED UTILITIES. HOWEVER, BIG STOCK CORPORATIONS CONTROL OVER HALF OF MARKET. THE TEN LARGEST ONES ARE:

RHEINISCH-WESTFALISCHES ELEKTRIZITATSWERK AG (RWE),
ESSEN VEREINIGTE ELEKTRIZITATSWERKE WESTFALEN (VEW),
HAGEN PREUSSENELEKTRA, HANNOVER
BAYERNWERK AG, MUNICH
NORDWESTDEUTSCHE KRAFTWERKE AG, BREMEN-FARGE
BADENWERK AG, KARLSRUHE-DAXLANDEN
ENERGIE-VERSORGUNG SCHWABEN AG, STUTTGART
HAMBURGISCHE ELECTRICITATS-WERKE AG, HAMBURG
BERLINER KRAFT-UND LICHT (BEWAG)-AG, BERLIN
INNWERK AG, TOEGING

APART FROM QUALITY AND PRICE CONSIDERATIONS, BUYERS WILL ALSO PAY STRONG ATTENTION TO POTENTIAL SUPPLIER'S ABILITY AND WILLINGNESS TO SERVICE AND MAINTAIN EQUIPMENT

D. IMPORTS OF THESE PRODUCTS MUST CONFORM TO TECHNICAL SPECIFICATIONS AVAILABLE FROM VEREIN DEUTSCHER ELEKTROTECHNIKER (VDE) AT 6060 OFFENBACH, MERIANSTR.29.

IN ADDITION THE FEDERAL GOVERNMENT PROVIDES BUDGET
SUPPORT FOR RESEARCH AND DEVELOPMENT IN THE
NUCLEAR ENERGY FIELD. (SEE REF C FOR A DETAILED
EXPLANATION OF THIS PROGRAM). WE ARE CHECKING FURTHER
ON THE NTB QUESTION AND WILL PROVIDE ANY ADDITIONAL
INFORMATION WE DEVELOP.

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E. THE FEDERAL GOVERNMENT MAINTAINS NO RESTRICTIONS
ON FOREIGN INVESTMENT OR OWNERSHIP.

2. COMMENT. IT SHOULD BE NOTED THAT THE FEDERAL
GOVERNMENT PROMOTES INDUSTRY INVESTMENT IN CERTAIN
ECONOMICALLY DEPRESSED REGIONS OF THE FRG AND THEIR
PROGRAM IS NOT LIMITED TO ANY SPECIFIC INDUSTRIAL
SECTOR. CONSEQUENTLY, THE UTILIZATION OF POWER
EQUIPMENT IN THIS PROGRAM COULD HAVE A TRADE DISTORTING
EFFECT.

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